

**MINUTES
of the
SEVENTH MEETING
of the
MORTGAGE FINANCE AUTHORITY ACT
OVERSIGHT COMMITTEE**

**December 21, 2007
Mortgage Finance Authority Office
344 Fourth Street SW
Albuquerque**

The seventh meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, at 9:43 a.m. on Friday, December 21, 2007, in the offices of the New Mexico Mortgage Finance Authority (MFA) in Albuquerque.

Present

Rep. Thomas A. Anderson
Sen. Mark Boitano
Rep. Roberto "Bobby" J. Gonzales
Sen. Cisco McSorley
Sen. Leonard Lee Rawson
Sen. Nancy Rodriguez, Chair
Rep. Daniel P. Silva, Vice Chair
Rep. Teresa A. Zanetti

Absent

Advisory Members

Rep. Daniel R. Foley
Sen. Richard C. Martinez

Rep. Andrew J. Barreras
Rep. Jose A. Campos
Sen. Phil A. Griego
Sen. John T.L. Grubescic
Sen. H. Diane Snyder

Staff

Chase Van Gorder, Staff Attorney

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Friday, December 21

New Mexico Mortgage Finance Authority — Status Update

Jay Czar, MFA executive director, commented that the demand for MFA-issued bonds was strong and that there are three times as many bonds issued as there were two years ago. The

problems with the subprime mortgage market seem to have little effect in New Mexico and on MFA bonds.

Regional Housing Authorities Authority — MFA Oversight

Richard Chavez, MFA regional housing authorities liaison, updated the committee on the current status of the regional housing authorities. Region I and Region VII are no longer viable operating entities. Region II has been officially dissolved as a regional housing authority and all operations have been transferred to the Santa Fe Civic Housing Authority. There are a number of outstanding financial issues regarding the former Region II Housing Authority that need to be cleared up. The Mid-Region Council of Governments has taken control of all properties formerly owned by the Region III Housing Authority. Efforts are being made to determine the physical state of all of these properties and to develop a strategy for disposing of them. Funds also need to be found to complete a three-year audit of Region III. It was expected that the operations of Region IV would be turned over to the Regional Housing Authority of Roswell. The Region IV board, however, is under the impression that operations have improved to the point where the authority can continue to operate on its own. It is unclear whether Region IV will be able to continue operating on its own. The Region V and Region VI Housing Authorities continue to operate as viable entities. The Office of the State Auditor has completed its inventory of assets for all of the regional housing authorities but has not undertaken any analysis.

Programs on Tribal Lands and Land Grants

Linda Bridge, MFA director of housing development, reviewed the status of MFA programs on tribal lands. Prior to 1997, New Mexico tribes generally had not accessed state-administered federal housing programs, but this changed with the passage at the federal level of the Native American Housing Assistance and Self-Determination Act. Tribes and tribally designated housing entities have become more involved in accessing federal programs to increase housing opportunities for Native Americans. Existing requirements were modified to meet tribal needs, such as 50-year leases rather than fee simple ownership or 99-year leases. At this time, all but seven of the tribes have enacted mortgage codes. Nine tribes have produced 461 units of rental housing using low-income housing tax credits and other MFA-administered programs (15 developments totaling over \$47 million) as well as 150 units of home ownership or home rehabilitation. More than \$3 million in federal grants were obtained to support more than 300 units of affordable housing.

Lionel Holguin, MFA director of community development, explained the history of the New Mexico land grants. There are presently 22 traditional land grant communities in New Mexico that manage more than 200,000 acres of community land. Truchas, Abiquiu, Chilili and Anton Chico have all set aside communal land for the development of affordable housing. MFA is currently working to develop a land grant loan program that would enable assistance to land grant residents who qualify pursuant to the MFA affordable housing guidelines.

2008 Legislative Endorsements— MFA Sponsored Legislative Initiatives

Chase Van Gorder, staff attorney, explained changes that had been made to a draft appropriation bill for a home loan program as a result of comments by committee members at the

committee's November meeting. A loan recipient would have to reside in a home as the recipient's principal residence for at least 12 consecutive months following the purchase of the home. Members of the MFA staff responded to questions by committee members regarding the current MFA "HERO" home loan program. The HERO program has assisted approximately 200 households since its inception. Following a discussion regarding limitations on administrative fees for MFA, upon a motion by Representative Gonzales that was seconded by Senator Martinez, the committee voted without objection to endorse the proposed bill.

2008 Legislative Endorsements — MFA Supported Legislative Initiatives

Fred Nathan and Grant Taylor of Think New Mexico presented a draft of a bill that would address the real estate title industry in New Mexico. Jay Czar noted that the MFA board had expressed support for real estate title insurance legislation to the extent such legislation would lower housing costs. Mr. Nathan reviewed the history of the regulation of real estate title insurance in New Mexico, noting that in 1985, legislation was passed to place title insurance under the control of the superintendent of insurance. He reviewed the draft legislation section by section and noted that it had been drafted in collaboration with the superintendent of insurance and the Public Regulation Commission. Tom Horan, lobbyist for the title insurance industry, and Ed Roibal with LandAmerica gave their comments regarding the draft legislation and the alleged need to change the way in which the title insurance industry is regulated in New Mexico. Following questions and comments by committee members, the committee took no action regarding the proposed bill.

Adjournment

There being no further business before the committee, the seventh meeting of the Mortgage Finance Authority Act Oversight Committee for the 2007 interim was adjourned at 12:50 p.m.